



Forest Biomass Supply Agreements

AGENCY REQUEST LEGISLATION

SB 6236 (Sen. Hargrove) / **HB 2481** (Rep. Van de Wege)

January 5, 2010 Update

ISSUE:

DNR is restricted from entering into reliable long-term biomass supply agreements.

- Securing reliable and predictably priced biomass feedstock supply is a major obstacle to maximizing the benefits of the emerging biomass energy economy.
- Many bio-energy firms are suffering from the current economic downturn and need to minimize their supply-side risks as much as possible to attract investors.

Removing biomass feedstock in ecologically sustainable ways to produce energy (liquid fuels or heat and electricity) can:

- Provide income for forest landowners while improving forest health;
- Create rural jobs;
- Reduce wildfires and greenhouse gas emissions; and
- Aid in the production of renewable energy.

Woody biomass is the residual waste (slash) from forest management activities, or the materials removed during forest health treatments.

BACKGROUND:

In 2009, HB 2165 was enacted into law authorizing DNR to implement biomass energy pilot projects, in eastern and western Washington.

- In 2009, DNR invited any interested party to submit letters of interest to become partners in the biomass pilot projects.
- DNR has selected the first partners for the state's biomass pilots.
- DNR and its partners will fully scope and seek the resources to implement the pilots in 2010.

**2010 REQUEST
LEGISLATION:**

Amend the valuable materials statute (RCW 79.15) so that instead of having to auction each timber sales' woody biomass waste, or forest health treatment, on a sale-by-sale basis, DNR will be authorized to provide contracts (5-year, with up to 3 renewals) or leases for long-term biomass supply.

FISCAL

No cost to the State General Fund.

IMPLICATIONS:

Potential new revenues for state trust lands.

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